

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2019 / 2020

DBL5624 PRINCIPLES OF COMPANY LAW (For Diploma Students Only)

18 OCTOBER 2019
3:00 p.m – 5:00 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages with 4 questions.
2. Answer all questions.
3. You are required to cite relevant provisions and case laws.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

- (a) Annual General Meeting (AGM) is an occasion where members of a company will meet the directors and have the opportunity to question them on the company's accounts, the directors' report, company's position and prospects.

Briefly explain the following:

- i. Venue. (3 marks)
- ii. Quorum. (7 marks)
- iii. Chairperson. (4 marks)
- iv. Voting. (6 marks)
- v. Resolutions. (5 marks)

[Total : 25 Marks]

QUESTION 2

- (a) Securities Commission of Malaysia was formed under the Securities Commission Act 1993.

List down the following:

- i. **THREE (3)** enforcement tools in criminal action under Securities Commission. (3 marks)
 - ii. **THREE (3)** enforcement tools in civil action under Securities Commission. (3 marks)
 - iii. **EIGHT (8)** enforcement tools in administrative action under Securities Commission. (8 marks)
- (b) Discuss the powers of Companies Commission of Malaysia. (11 marks)

[Total : 25 Marks]

QUESTION 3

- (a) Adeeba is a housewife staying in Melaka. In 2015, she made a personal loan with BSB Bank to set up a restaurant in Melaka but the restaurant suffered a major loss and she decided to close it. After the restaurant closed, she failed to pay the monthly payments for the said loan. Recently, she formed a new company, Lovely Sdn. Bhd. with her husband, Aslam. Their company's business is going very well and obtains lots of profit. BSB Bank are aware about this matter and intended to claim the overdue payments made by Adeeba from Lovely Sdn. Bhd.

Advise BSB Bank on whether they can take actions towards Lovely Sdn. Bhd. (10 marks)

Continued...

- (b) Discuss briefly the statutory exceptions to the principle in *Salomon v Salomon & Co.*

(15 marks)

[Total : 25 Marks]

QUESTION 4

- (a) Briefly explain the obligations of an auditor. (7 marks)

- (b) Briefly discuss the auditors' privilege in exercising their duties. (8 marks)

- (c) Vince has been working in Go Lucky Sdn. Bhd. for more than 10 years. He was promoted as manager earlier this month. Recently, his wife, Joan told him that Go Lucky Sdn. Bhd. has appointed her as their auditor. Joan has informed the company that her husband is one of the officers in the company but the company still insists to appoint her as their auditor.

Advise Joan whether she has the qualification to be appointed as an auditor in Go Lucky Sdn. Bhd. (10 marks)

[Total : 25 Marks]

End of Paper